



## **FANTASIA DIAMOND CREATIONS LTD ( INDIA)**

### **Responsible Sourcing & Supply Chain Due Diligence Policy**

**DOCUMENT: FDC-RS&S 01**

*(Version 1.0 – 2025)*

*Mauritius 17 November 2025*

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#### **1. Purpose and Scope**

Fantasia Diamonds Collections (“FDC”, “the Company”) is a gem cutting and polishing enterprise operating within the international diamond and coloured gemstone supply chain. This policy establishes FDC’s commitments and requirements for responsible sourcing in accordance with:

- The **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs)**;
- **RJC Code of Practices (2019)**, including COP 7 (Due Diligence) and COP 29 (KPCS & WDC System of Warranties);
- International human rights, labour, environmental and anti-corruption standards, including the **UN Guiding Principles on Business and Human Rights (UNGPs)** and **ILO Core Conventions**

This Policy applies to:

1. All diamonds purchased, processed, cut, polished, traded or otherwise handled by Fantasia;
2. All employees, contractors and directors of Fantasia; and
3. All suppliers, subcontractors and service providers associated with Fantasia’s supply chain activities.

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#### **2. Our Commitment**

Fantasia commits to responsible sourcing that prevents and mitigates:

- **Serious human rights abuses**
- **Direct or indirect support to non-state armed groups**
- **Direct or indirect support to public or private security forces involved in abuses**



- **Bribery, corruption and fraudulent misrepresentation of origin**
- **Money laundering, tax evasion or illegal taxation**

We uphold a **zero-tolerance** position concerning any supply chain linkages to:

1. Torture, cruel or degrading treatment
2. Forced or compulsory labor
3. Worst forms of child labor
4. Widespread sexual violence
5. War crimes or gross human rights violations
6. Conflict diamonds as defined by the UN
7. Illicit trade or smuggling
8. Financing of armed non-state actors

Fantasia will only operate or source from Conflict-Affected and High-Risk Areas (“CAHRAs”) when enhanced due diligence measures are in place and aligned with the OECD Guidance.

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### **3. OECD Step 1 – Strong Company Management Systems**

#### **3.1 Supply Chain Policy Framework**

FDC maintains a documented **Responsible Sourcing Management System**, including:

1. This Supply Chain Policy
2. Supplier onboarding and Know-Your-Counterparty (KYC) procedures
3. Supplier risk assessment and categorization methodology
4. CAHRA identification procedures
5. A grievance mechanism
6. Recordkeeping and documentation standards
7. Annual reporting obligations

This policy is publicly available and communicated to all suppliers and employees.



### **3.2 Internal Governance & Responsibilities**

FDC appoints a **Responsible Sourcing Officer (“RSO”)**, who:

1. Leads Fantasia’s due diligence program
2. Ensures compliance with RJC COP 7 & 29 and OECD requirements
3. Oversees training for all relevant staff
4. Reports directly to senior management on due diligence performance

### **3.3 Supplier Engagement & Agreements**

All suppliers must:

1. Acknowledge and comply with this Policy
2. Provide all required due diligence documentation
3. Commit to the WDC System of Warranties (for diamonds)
4. Maintain chain-of-custody information as required
5. Undergo risk assessment, screening, and ongoing monitoring

FDC may refuse to engage with, suspend or terminate suppliers that fail to comply.

### **3.4 Traceability & Transparency**

FDC maintains systems ensuring visibility over:

1. Source and upstream suppliers (mine, exporter, or furthest known point)
2. Type, weight, grade, and characteristics of each diamond or gemstone
3. Transport routes, import/export records and KPCS certificates
4. Verification of recycled or grandfathered materials
5. Documentation supporting due diligence by immediate suppliers

Records are retained for a minimum of **5 years**.

### **3.5 Grievance Mechanism**

FDC implements an effective, accessible grievance mechanism allowing:

1. Employees
2. Suppliers
3. Civil society
4. Trade unions
5. Affected communities

...to raise concerns related to human rights, sourcing or unethical conduct.

Reports may be made anonymously. All grievances are documented, investigated and remediated appropriately.

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## **4. OECD Step 2 – Identify and Assess Risks in the Supply Chain**

### **4.1 Identification of CAHRAs**

FDC uses a documented procedure to determine whether sourcing jurisdictions constitute CAHRAs by reference to:

1. OECD Annex II risks
2. UN reports and sanctions lists
3. Global Rights Index and conflict maps
4. Reputable NGO reports
5. International crisis databases (e.g., ACLED)
6. Local government advisories

Suppliers located in CAHRAs are subject to enhanced due diligence.

### **4.2 Supplier Risk Assessment**

FDC assesses all suppliers and materials received based on:

1. Geographic risk (country or region)
2. Activity risk (mining, trading, transport, cutting/polishing)

3. Know-your-counterparty concerns
4. Links to human rights issues
5. Corruption and bribery exposure
6. Evidence of upstream due diligence
7. Legitimacy and completeness of documentation

High-risk suppliers are subject to mitigation measures or disengagement where necessary.

#### **4.3 Upstream Information Review**

For diamonds, FDC takes reasonable, good-faith steps to identify:

- **Origin** (mine or furthest upstream known point)
- **Extraction method**
- **Transport routes**
- **Taxes, fees, royalties and security payments**
- **Potential adverse impacts or Annex II risks upstream**

Where information is incomplete, Fantasia maintains a plan and timeline for obtaining missing details.

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## **5. OECD Step 3 – Design and Implement a Strategy to Respond to Identified Risks**

### **5.1 Immediate Action for Severe Adverse Impacts**

FDC will **immediately suspend or disengage** from any supplier where credible evidence exists of:

1. Serious human rights abuses
2. Support to armed non-state actors
3. Conflict-related financing

### **5.2 Mitigation for Non-Severe Risks**

Where risks do not require immediate disengagement, FDC :



1. Prepares a written **risk mitigation plan**, including:
  - Specific corrective actions
  - Measurable time-bound milestones (≤ 6 months)
  - Monitoring methods
2. Works collaboratively with suppliers to resolve identified issues
3. Monitors implementation and records progress

Failure by a supplier to implement corrective actions will result in suspension or termination.

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#### **6. OECD Step 4 – Independent Third-Party Audit**

FDC commits to:

1. Undergoing independent third-party audits of its supply chain due diligence program
2. Ensuring audit scope covers all five OECD steps
3. Providing auditors full access to documentation and personnel
4. Implementing corrective actions arising from audit findings

Audits will follow the RJC mandated cycles and the requirements of the RJC Due Diligence Toolkit.

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#### **7. OECD Step 5 – Annual Reporting**

FDC will:

1. Publish an **Annual Supply Chain Due Diligence Report** on its website
2. Report on progress for each OECD step
3. Disclose risks identified and actions taken
4. Provide transparency on CAHRA determinations
5. Summarise findings of audits and mitigations

The report will follow Table 7.5 of the RJC COP 2019 Guidance.

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## **8. Supplier Requirements**

All suppliers must:

1. Comply with this Policy and OECD Annex II.
2. Maintain and provide full traceability documentation.
3. Implement their own due diligence aligned with the OECD Guidance.
4. Cooperate with FDC in providing information or access required.
5. Not knowingly supply conflict-affected or high-risk materials without enhanced due diligence.

Failure to meet these requirements will result in immediate review and potential disengagement.

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## **9. Implementation, Training & Continuous Improvement**

FDC commits to:

1. Regular staff training
  2. Updating procedures in line with evolving international best practices
  3. Maintaining continuous improvement programmes
  4. Building capacity of suppliers, especially SMEs
  5. Periodic internal reviews of the management system
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## **10. Enforcement**

Non-compliance with this Policy by any employee, contractor or supplier will result in:

1. Corrective actions
2. Disciplinary measures
3. Suspension of trade
4. Termination of contract
5. Reporting to authorities where legally required

### **11. Policy Review**

This Policy will be reviewed **annually** or earlier if:

1. Regulations or RJC requirements change
2. New supply chain risks emerge
3. Audit findings require amendments

APPROVED by:

**Roberto Tucci**

*Director*

17 November 2025, by